

**CITY COUNCIL MEETING OF THE CITY COUNCIL OF THE CITY OF LEON VALLEY,
TEXAS, FEBRUARY 3, 2009**

The City Council of the City of Leon Valley, Texas, met on the 3rd day of February 2009 at 7:00 p.m. at the Leon Valley City Council Chambers, at 6400 El Verde Road, Leon Valley, Texas, for the purpose of the following business, to-wit:

REGULAR CITY COUNCIL MEETING - 7:00 P.M.

Call to order and Pledge of Allegiance.

Mayor Riley called the meeting to order at 7:00 p.m. and asked that the minutes reflect all members of Council were present: Manea, Reyna, Baldrige, Dean, and Nelson.

City Manager Lambert, City Secretary Feutz, Fire Chief Irwin, Economic Development Director Ryan, Community Development Director Flores, Assistant Public Works Director Stolz, Economic Development Administrative Assistant Gomez, and City Attorney McKamie were also present.

Mayor Riley asked everyone to rise and join her in the pledge of allegiance.

Presentation of annual status report by the Earthwise Living Committee.

Earthwise Living Committee Chairman Tom Benavides reminded everyone of the committee's mission statement and presented an overview of the committee's finances for FY 2008 and FY 2009. He announced that two grants were received totaling \$10,875; one grant from AACOG and one grant from Keep Texas Beautiful. Mr. Benavides reported on committee initiatives which included partnering with HEB grocery to encourage the use of canvas and/or recycled material bags and the introduction of the Earthwise Living website. Co-Chair Rita Burnside reported on community outreach initiatives with conservation lectures at the Bank of America and for OASIS and she reported on the committee's participation in the American Institute of Architects' Sustainable Design Assessment Team workshops in October 2008. Information on the upcoming 20th Annual Leon Valley Earthwise Living Day to be held on Saturday, February 28, 2009 was provided and a reminder was also given about the Texas Recycles Day for November 15, 2009.

Mayor Riley thanked the committee and recognized other members of the committee in attendance: Valerie Siat, Diana Sarfin, and Rose Ryan.

Presentation of annual status report by the Trade and Market Days Committee.

Economic Development Director Ryan presented the annual report for 2008 to Council highlighting the purpose of the Trade and Market Day events, which are held eight Saturdays a year, and successes for the year of increased booth sales and a professional financial audit. Ms. Ryan provided a brief overview of the revenues and expenses for the past year. She reviewed the next steps the Committee would consider to enhance the Trade & Market Days events in 2009 such as: a season kick-off with the "Sauerkrauts" band and the Volksmarch on March 14, 2009, a "business showcase" to spotlight area businesses, increasing nonprofit booth participation to increase the sense of "community", more food, beverage and entertainment booths to attract more visitors, working toward long term revenue self-

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sufficiency, networking with VIA to add parking shuttles, featuring a dixieland jazz band "Band Aids" to be features in October 2009, and considering additional links with the Oak Hills annual fundraiser and possibly an Oktoberfest in September 2009. Trade and Market Days Chair Nita Lange presented information to Council illustrating increased Center rentals since the Trade and Market Days events began; the rentals increased from less than 10 per year to more than 70 per year. Ms. Lange asked for volunteers to serve as parking attendants for the events. She and Ms. Ryan thanked the Mayor and City Council, the City and the committee for their support of the events over the past year.

Councilmember Nelson asked that the contract for the lease of the Conference and Community Centers have an added clause asking how the renter heard about the facilities and Ms. Ryan indicated that her office has been informally asking that question, but that the question would be added to the contract.

Citizens to be heard and time for objections to the Consent Agenda.

Mayor Riley asked Councilmembers if they wished for anything on the Consent Agenda to be removed from that agenda for further discussion. Councilman Reyna asked that Agenda Items # 8 and #9 be removed for further discussion. Hearing no further requests, Mayor Riley then asked if anyone in the audience wished to address the Council.

Resident Al Uvietta announced that he had a correction to information heard at the last City Council meeting regarding surveys to the Citizens Neighborhood Progress Committee (CNPC). He stated that the Huebner-Onion Homestead restoration was on the list of items that surveys said was important. He also reported that feedback on the new trails has been positive except for one resident. Councilmember Baldrige reported that some citizens expressed fear of rising crime on the trails, but no problems have been reported along the new trails.

City Manager Lambert presented a map depicting locations where almost 900 traffic accidents occurred in the last twelve months. He pointed out that the majority of the accidents occurred at the on- and off-ramps where Bandera Road meets the Loop 410 access roads, the intersection of Bandera Road under Loop 410, and at the Wurzbach and Bandera Roads' intersection. He expressed optimism that with the completion of the elevated access ramps, that traffic should be reduced at those intersections and perhaps less accidents for our Police Officers to answer which would then allow them to spend more time on neighborhood patrols. He stated that he will ask for another report after the roadway construction is completed.

Seeing no one else to come forward for the "Citizens to be heard" portion of the meeting, Mayor Riley asked for a motion to approve the following Consent Agenda items:

Consent Agenda

**Consider action to approve minutes of the Regular City Council Meeting of
January 20, 2009 (Feutz).**

**Consider action on M&C # 02-01-09 with attached ordinance- a request to
approve budget adjustments to the General Fund for expenditures of Bexar
County Community Development Block Grant (CDBG) Grant funding for a**

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Raymond Rimkus Park Footbridge (\$45,000), and expenditures of a Texas Parks and Wildlife Grant for a Texas Parks and Wildlife Trail Project (\$53,474)(Stolz).

Consider action on M&C # 2-02-09 with attached ordinance - a request to approve a budget adjustment to the General Fund for a rollover of approved FY 08 funding for financial audit of Trade and Market Days Events(\$1,200)(Ryan).

A motion was made by Councilman Reyna, seconded by Councilmember Nelson, to approve the Consent Agenda Items # 5, 6, and 7, as listed above. Upon vote, Mayor Riley announced that the motion carried and Consent Agenda items described above were approved.

Action Agenda

Consider action on M&C # 02-03-09 - Authorization to Submit an application to the Bexar County Community Development Block Grant Program for energy efficient remodeling project for the Community Center, currently used by the Northwest Senior Citizens and with total project cost estimated to be \$258,500 (Ryan).

Councilman Reyna asked what other benefits would the grant provide to the Leon Valley Community Center with the planned improvements. Economic Development Director Ryan explained that solar panels, thermal insulation, remodeling of bathrooms and the kitchen and flooring refurbishing were part of the planned improvements for a more energy-efficient and upgraded facility. She explained that the project meets four of the five review provisions of the Bexar County CDBG grant review process. She also explained that the City's match is planned to come from a CPS Energy rebate of \$50,000.

Following brief discussion, a motion was made by Councilman Reyna, seconded by Councilman Manea, to approve the request to submit an application to the Bexar County CDBG program for the proposed remodeling project for the Community Center. Upon vote, Mayor Riley announced the motion carried.

Consider action on M&C # 02-04-09 - Authorization to Submit an Application to the Bexar County Community Development Block Grant Program for reconstruction of Jeff Loop and El Verde Road with total project cost estimated to be \$254,726 (Stolz).

Councilman Reyna expressed his concerns that reconstruction planned for the project area would be affected by Bexar County's flood mitigation program that is currently being planned by the County.

Public Works Assistant Director Stolz provided a brief overview of the grant process and explained that once the application is submitted, any additional information that would have a bearing on the proposed reconstruction site would be provided to the CDBG review committee and if any area was not eligible for reconstruction, the application would be revised. He also noted that nowhere else in the City can CDBG grant funding be used for street construction due to the parameters of the grant program.

Following discussion, a motion was made by Councilman Reyna, seconded by Councilmember Baldrige, to approve the submittal of the application for the Bexar County CDBG program for

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reconstruction of Jeff Loop and El Verde Roads, with the amendment that if the flood mitigation program from Bexar County requires that parts of the application be modified, then staff was to modify the application. Mr. Stolz noted that before an interlocal agreement can be signed with the County for this grant, staff must come back for Council's approval of the grant. Upon vote, Mayor Riley announced that the motion carried.

Public Hearing to Consider Zoning Case #09-382, a request by Alberto Milmo, applicant and property owner, to rezone approximately 3.44 acres of land from B-2 (Retail) to R-3 (Multiple-Family Dwelling) in the 6200 block of Grissom Road, being Lot 67, Block 3, CB 5784, Leon Valley Addition – Milmo Subdivision and a portion of Lot 46, Block 3, CB 5784, Lutheran Church of the Resurrection. APPLICANT REQUESTED A POSTPONEMENT, ON JANUARY 27, 2008, THE ZONING COMMISSION POSTPONED THE PUBLIC HEARING, BY A VOTE OF 7-0.

Mayor Riley announced that the public hearing for Zoning Case #09-382 was asked to be postponed to no specific date at the request of the applicant and property owner.

A motion was made by Councilman Reyna, seconded by Councilmember Dean, to approve the request to postpone the public hearing to consider Zoning Case # 09-382, as requested by Alberto Milmo, applicant and property owner to a date not certain. Upon vote, the Mayor announced that the motion carried.

Consider action on Resolution to adopt the "Articles of Incorporation" for the Leon Valley Economic Development Corporation (LVEDC) for submittal to the State of Texas for approval of a Certificate of Incorporation, consider approval of language for the LVEDC's "Bylaws" and LVEDC's Board of Director's application form (Ryan).

Economic Development Director Ryan began her review of progress by the City that has resulted in her bringing a recommendation for Articles of Incorporation for City Council to review and approve. Councilman Reyna stated that he thought that the "Articles of Incorporation" and "Bylaws" were going to be reviewed in a workshop setting. Mayor Riley stated that the review comments on the Articles of Incorporation were just received from Councilman Reyna before the meeting and there was not sufficient time to review the comments.

Councilmembers all expressed their desire to discuss the Economic Development Corporation and Articles of Incorporation and Bylaws at a workshop with more time to review the documents.

A motion was made by Councilmember Baldrige, seconded by Councilman Manea, to postpone further discussion on the "Articles of Incorporation" and the LVEDC "Bylaws" to a workshop. Upon vote, Mayor Riley announced the motion carried.

Mayor Riley asked for everyone to review the proposed documents for the Economic Development Corporation and to turn in their comments to the City Secretary. Dates for the workshop were discussed and the City Secretary will find dates that meet with schedules of the Councilmembers.

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Economic Development Director Ryan asked for Council's input on the application for the Economic Development Corporation members so that it could be posted. A consensus from Council provided direction to move forward with posting an application from staff for future LVEDC members.

Consider approval of Resolution in support of a National Stimulus Package Response from Leon Valley (Lambert).

City Manager Lambert reviewed changes made to the National Stimulus Package Response letter from Leon Valley made since the last Council meeting. Mayor Riley stated that a notice from Representative Ciro Rodriguez gave February 20, 2009 as the deadline for stimulus requests to Washington.

Councilmembers discussed various formats to provide additional background information about the City and having all members of City Council sign the cover letter and send it with supporting documents, and also put the information in DVD format.

A motion was made by Councilman Reyna, seconded by Councilmember Dean, to approve an Economic Stimulus Response letter to be sent to President Obama and members of Congress, that would be signed by all members of the City Council. Upon vote, Mayor Riley announced the motion carried.

Discussion Agenda

Discussion on early pay off option of Texas General Obligation Refunding Bonds, Series 2006 - the bonds used to finance the Conference Center (Mayor Riley).

Mayor Riley reported that following a vote from City Council at the last Council meeting regarding payout of any hotel occupancy tax moneys, she asked the City Manager to gather additional information on using the accumulated hotel occupancy tax (HOT) revenue toward paying off the Conference Center debt.

City Manager Lambert reported that he and the City Accountant met with a representative from First Southwest to discuss "defeasance", or pay off, of the Series 2006 Refunding Bonds. He provided a brief history of the debt stating that, in 2000, the City issued Tax Anticipation Notes in the amount of \$745,000 to fund the construction of the Conference Center. Those notes had a balloon payment of \$452,000 due for March 2007, but with the conversion of the Sierra Royale Hotel to condos reducing the income from HOT, the city did not have the fund balance needed to meet the balloon payment. Mr. Lambert explained that the City then issued 2006 Refunding Bonds in the amount of \$475,000 to pay off the 2000 Tax Anticipation Notes and those Bonds have a maturity date of March 2013, but have an "early call" option.

Mr. Lambert presented four scenarios for Council to consider: redemption, or pay off of the bonds, in full on March 11, 2009, redemption in full on March 11, 2010, redemption of \$100,000 (a partial pay off) on March 11, 2009, and the final scenario calling for the rest of the payment to be paid in the amount of \$120,000 in March 2010. Mr. Lambert reviewed the interest savings from each of the scenarios that were estimated to be between \$6,800 to \$29,000.

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The City Manager also presented options that would be tied to a full redemption or pay off of the Bonds in March 2009 that would also keep a designated reserve fund balance in varying amounts (\$0 - \$50,000) to allow for any unexpected repairs or maintenance to the 10-year old building. Mr. Lambert pointed out that any of these options required some funding from the General Fund in the range of \$71,000 to \$121,000 to meet the full redemption by March 2009.

Additionally, the City Manager stated that if Conference Center debt is paid off, the City may wish to issue new debt now for the new fire truck, as current interest rates were running at 3.5% - 3.75%.

Council discussed consideration of funding from the hotel occupancy tax items which would make the center more marketable. Ms. Ryan stated that building maintenance, IT equipment, cemetery screening, and a larger kitchen were considered high on the list. They also discussed that with some remodeling, the City could potentially receive higher rental rates. The City Attorney agreed that hotel occupancy tax funds could be used for a kitchen update in the Conference Center.

Councilmembers recommended that a workshop be set with the financial manager to further review the use of the hotel occupancy tax funds. Councilman Reyna asked that all actions considered by Council, but especially actions on this issue be considered in light of the Master Vision of the three-legged stool recommended by the SDAT process for our City - ecology, economy, and social equity.

Mr. Lambert stated that he will set up a workshop for the financial manager to meet with Council.

Discussion on Solar Energy for municipal buildings (Lambert).

City Manager Lambert presented information on quotes received from a vendor on use of solar energy in City facilities. Mr. Lambert stated that he had received an estimate to install solar panels in each city facility to convert the buildings to be solar power. He provided the quotes from Ecowatt Design in the amount of \$155,000 per building. He stated that the 30-year environmental impact per building would eliminate 1,158,990 pounds of carbon dioxide, but even after a \$50,000 CPS Energy rebate, Mr. Lambert stated that felt that the system was too expensive for all buildings. He stated that each system had a 20-25 year pay back and was not cost effective at this time.

He stated that the information provided was for informational purposes only, as formal bids would be required for the City to move forward on a project like this. Mr. Lambert did recommend that the Library wing be considered for solar power in the future, as a learning center.

City Manager's report (Lambert).

A. SDAT final report workshop meeting - March 7, 2009, 8:30 a.m. - 12:30 p.m.

City Manager Lambert announced that the SDAT results would be reviewed at a Council workshop on Saturday, March 7, 2009 from 8:30 a.m. - 12:30 p.m.. City committees would also be invited to attend this workshop to be held at City Hall.

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B. National League of Cities' Annual Congressional City Conference (3/14/09 - 3/18/09)

Mr. Lambert explained that this conference was the national version of the TML Annual conference. He explained that the Mayor and he would lobby Congress for the City's economic stimulus requests while in Washington for the conference.

C. Poss Road Reconstruction Project Report

Mr. Lambert reported that the City Engineer would deliver preliminary plans for the Poss Road reconstruction project to Council in March 2009 for their review and comment. He stated that he has asked for decorative crosswalks, hike and bike trails, and other items heard from the SDAT workshops. Mayor Riley announced that students of the College of Architecture and illustrator Caleb Schaeffer were also going to help with this project as a follow-on to the SDAT recommendations. Councilmember Nelson asked about the timing for the construction project and the park's high occupancy periods of the year.

Citizens to be heard.

Resident Rudy Garcia stated that the audience should be considered when discussing items on the agenda by displaying them on the screen for all to see. He also recommended that a learning center be added to the list for the stimulus plan and tying it into the ecological and energy components.

Resident Nancy Marin reported on her research for the best nonprofit status level for the Leon Valley Economic Development Corporation. She reported that she had asked for a listing of what level of 501(c) non-profit status each EDC is registered in Texas. She asked Council to give more consideration to the 401c 3, 4 or 6 designation.

Resident Al Baldrige addressed Council stating that he was disappointed not to hear about the Economic Development Corporation presentation from the ED Director as on the agenda, and he recommended a more businesslike format at future meetings.

Resident Stephen Price expressed his concerns for the slow progress in developing the LVEDC Articles of Incorporation and he offered his assistance on that project. He also commented favorably on the financing recommendations for the fire truck.

Announcements.

A. Earthwise Living Day Event Update - Feb. 28, 2009

Mayor Riley reminded everyone of the Earthwise Living Day to be held on February 28, 2009 from 9:00 a.m. - 2:00 p.m. She stated that there would be electronics' recycling available for attendees - computers, cell phones, and televisions.

B. Volksmarch event with Sauerkrauts entertainment - March 14, 2009

Mayor Riley reminded everyone of the entertainment planned for the Trade and Market Days Event on March 14, 2009 with the Oktoberfest Band, "The Sauerkrauts", performing for the Volksmarch and Trade and Market Day's visitors.

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C. Economic Development Update

Mayor Riley announced that a proposed mixed use development is planning to return to Council in the future and other activities are in the works and would be coming forward soon.

D. May 9, 2009 Election News

City Secretary Feutz announced that her office had General Election Candidate Packets available for anyone interested in running for Council and that applications for candidates to have their name appear on the May 9, 2009 General Election ballot would be accepting beginning at 7:30 a.m. on Monday, February 9, 2009 and ending at 5:00 p.m. on March 9, 2009.

Adjourn.

Hearing no further business, a motion was made by Councilman Reyna, seconded by Councilmember Baldrige, to adjourn the meeting. Hearing no objections, Mayor Riley announced the meeting adjourned at 9:28 p.m.

ATTEST:

Chris Riley

Mayor

Marie Feutz

City Secretary

Minutes approved by vote of City Council at the Feb. 17, 2009 Regular City Council Meeting.